

Edgar Filing: RIO TINTO PLC - Form 425

RIO TINTO PLC
Form 425
March 05, 2008

Filed by: BHP Billiton Plc

and BHP Billiton Limited

Pursuant to Rule 425 under the Securities Act of 1933

Subject Company: Rio Tinto Plc

Commission File No.: 001-10533

The following are slides comprising a presentation that was given by Don Argus, Chairman, BHP Billiton to the ASX/Australian Shareholders Association Investor Hour seminar on March 5, 2008.

The Resources Sector
Australian Shareholders Association
5 March 2008
Mr Don Argus AO
Chairman, BHP Billiton

Slide 2

5 March 2008

Disclaimer

This document has been prepared by BHP Billiton Limited and BHP Billiton Plc ("BHP Billiton") and comprises the written material presented in this presentation. By reviewing/attending this presentation you agree to be bound by the following conditions.

The directors of BHP Billiton accept responsibility for the information contained in this presentation. Having taken all reasonable care to ensure the accuracy of the information contained in this presentation, the directors do not accept any liability for any loss or damage caused by or arising from the use of the information contained in this presentation.

presentation
is,
to
the
best
of
the
knowledge
and
belief
of
the
directors
of
BHP
Billiton,
in
accordance
with
the
facts
and
contains
no
omission
likely
to
affect
its
import.

Subject to the above, neither BHP Billiton nor any of its directors, officers, employees or advisers nor any other person makes accordingly no reliance should be placed on, the fairness, accuracy or completeness of the information contained in the present law, neither BHP Billiton nor any of its directors, officers, employees or advisers nor any other person shall have any liability arising, directly or indirectly, from any use of this information or otherwise arising in connection therewith.

This presentation is for information purposes only and does not constitute or form part of any offer or invitation to acquire, sell or otherwise dispose of, purchase or subscribe for, any securities, nor does it constitute investment advice, nor shall it or any

relied
on
in
connection
with,
any
contract
or
investment
decision,
nor
does
it
constitute

a
proposal
to
make
a
takeover
bid
or
the
solicitation
of
any
vote
or
approval
in
any
jurisdiction,
nor
shall

there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration under an exemption from such requirements). No offering of securities shall be made into the United States except pursuant to an exemption therefrom.

Neither this presentation nor any copy of it may be taken or transmitted or distributed or redistributed (directly or indirectly) in be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Information about Rio Tinto is

based
on
public
information
which
has
not
been
independently
verified.

Certain statements in this presentation are forward-looking statements. The forward-looking statements include statements regarding projects and, without limitation, other statements typically containing words such as "intends", "expects", "anticipates", "targeted", "will", "may", "could", "intend", "expect", "anticipate", "target", "will", "may", "could", "intend", "expect", "anticipate", "target", "will", "may", "could", "intend", "expect", "anticipate", "target". Forward-looking statements speak only as at the date of this presentation. These statements are based on current expectations and beliefs concerning market conditions, government actions, regulatory actions, technological changes, and other risks that are unknown

risks
and
uncertainties
that
could
cause
actual
results,
performance
and
achievements

to
differ
materially
from
any
expected
future
results,
performance
or
achievements

expressed or
implied by such forward-looking statements. The forward-looking statements are based on numerous assumptions regarding business, economic, and financial environments

in
which
BHP
Billiton
and
Rio
Tinto
will
operate
in
the

future
and
such
assumptions
may
or
may
not
prove
to
be
correct.

There
are
a
number
of
factors
that
could
cause
actual
results
or
performance
to
differ
materially
from
those
expressed
or
implied
in
the
forward-looking
statements.

Factors
that
could
cause
actual results or performance to differ materially from those described in the forward-looking statements include, but are not limited to, the following:
businesses
of
BHP
Billiton
and
Rio
Tinto
and

to
realise
expected
synergies
from
that
combination,
the
presence
of
a
competitive
proposal
in
relation
to
Rio
Tinto,
satisfaction
of
any
conditions
to
any
proposed
transaction,
including
the
receipt
of
required
regulatory
and
anti-trust
approvals,
Rio
Tinto's
willingness
to
enter
into
any
proposed
transaction,
the
successful
completion
of
any

transaction, as well as additional factors such as changes in global, political, economic, business, competitive, market or regula

rates, future business combinations or dispositions and the outcome of litigation and government actions. Additional risks and from those described in the forward-looking statements can be found in BHP Billiton's filings with the US Securities and Exchange

on
Form
20-F
for
the
fiscal
year-ended
June
30,
2007,
as
well
as
Rio
Tinto's
and
Alcan
Inc.'s
filings
with
the
SEC,
including
Rio
Tinto's
Annual
Report
on
Form
20-F
for
the
fiscal
year-ended
December
31,
2006
and
Alcan
Inc.'s
Annual
Report
on
Form
20-F
for
the
fiscal

year-ended
December
31,
2006,
which
are
available
at
the
SEC's
website
(<http://www.sec.gov>).

Other
unknown

or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. The information may change without notice and BHP Billiton expressly disclaims any obligation (except as required by law or the rules of the UK Listing

Panel,

or
the

listing
rules

of

ASX

Limited)

or

undertaking

to

disseminate

any

updates

or

revisions

to

any

forward-looking

statements

contained

herein

to

reflect

any

change

in

BHP

Billiton's

expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Slide 3
5 March 2008
Disclaimer
(continued)
Information
Relating
to

the
US
Offer
for
Rio
Tinto
plc

BHP Billiton plans to register the offer and sale of securities it would issue to Rio Tinto plc US shareholders and Rio Tinto plc
Registration Statement), which will contain a prospectus (Prospectus), as well as other relevant materials. No such mate
for any Registration Statement or Prospectus that BHP Billiton may file with the SEC.

U.S.
INVESTORS
AND
U.S.
HOLDERS
OF
RIO
TINTO
PLC
SECURITIES
AND
ALL
HOLDERS
OF
RIO
TINTO
PLC
ADSs
ARE
URGED
TO
READ
ANY
REGISTRATION
STATEMENT,
PROSPECTUS
AND
ANY
OTHER
DOCUMENTS
MADE
AVAILABLE
TO
THEM
AND/OR
FILED
WITH
THE
SEC
REGARDING

THE
POTENTIAL
TRANSACTION,
AS
WELL
AS
ANY
AMENDMENTS
AND
SUPPLEMENTS
TO
THOSE
DOCUMENTS,
WHEN
THEY
BECOME
AVAILABLE
BECAUSE
THEY
WILL
CONTAIN
IMPORTANT
INFORMATION.

Investors
and
security
holders
will
be
able
to
obtain
a
free
copy
of
the
Registration
Statement
and
the
Prospectus
as
well
as
other
relevant
documents
filed
with

the
SEC
at
the
SEC's
website
(<http://www.sec.gov>), once such documents are filed with the SEC. Copies of such documents may also be obtained from BHP
Information
for
US
Holders
of
Rio
Tinto
Ltd
Shares
BHP Billiton Ltd is not required to, and does not plan to, prepare and file with the SEC a registration statement in respect of the
should carefully consider the following:
The Rio Tinto Ltd Offer will be an exchange offer made for the securities of a foreign company. Such offer is subject to disclosure
those
of
the
United
States.
Financial
statements
included
in
the
document
will
be
prepared
in
accordance
with
foreign
accounting
standards
that
may
not
be
comparable
to
the
financial
statements of United States companies.
Information
Relating

to
the
US
Offer
for
Rio
Tinto
plc
and
the
Rio
Tinto
Ltd
Offer
for
Rio
Tinto
shareholders
located
in
the
US
It
may
be
difficult
for
you
to
enforce
your
rights
and
any
claim
you
may
have
arising
under
the
U.S.
federal
securities
laws,
since
the
issuers
are
located

in
a
foreign
country,
and
some
or
all
of their officers and directors may be residents of foreign countries. You may not be able to sue a foreign company or its office securities laws.

It
may
be
difficult
to
compel
a
foreign
company
and
its
affiliates
to
subject
themselves
to
a
U.S.
court's
judgement.

You should be aware that BHP Billiton may purchase securities of either Rio Tinto plc or Rio Tinto Ltd otherwise than under the exchange offer, such as in open market or privately negotiated purchases.

References
in
this
presentation
to
\$
are
to
United
States
dollars
unless
otherwise
specified.

Slide 4

5 March 2008

Slide 4

5 March 2008

Overview of today's presentation

The significance of the resources sector to Australia

Demand for resources is in a period of strong growth

BHP Billiton is extremely well positioned to benefit from this growth

BHP Billiton's offer for Rio Tinto
unlocking value

Slide 5
5 March 2008
Slide 5
5 March 2008
The significance of the resources sector to Australia

Slide 6

5 March 2008

Slide 6

5 March 2008

The mining sector is a major contributor to Australia's
economic wellbeing
GDP and taxes paid

Mining and its related economic activities contributed in excess
of
A\$166
billion
to
Australia's
GDP
in
FY2007
(a)
.....17% of Australia's GDP
.....and 38% of Australia's GDP growth

Resource
companies
paid
A\$6.6
billion
in
company
tax
in
FY2006
(b)
.....13% of total government company tax revenue

Notes:

a)
Source:
Australian
Bureau
of
Statistics
(ABS).

b)
Source:
Minerals
Council
Industry
Survey
2007,
APPEA
Key
Statistics
2007
and
Australian
Government
budget
papers.

Slide 7
5 March 2008
Slide 7
5 March 2008
Total export revenues
(a)
(A\$ bn)

The mining sector is a major contributor to Australia's economic wellbeing exports and jobs created

56.7

(17.2)

Jobs created, 2001-07

(b)

('000s)

Many jobs are created in rural and regional

Australia

Mining

Manufacturing

31.9

62.7

FY 01

69.1

85.4

FY 07

Mining

Manufacturing

Other

37%

51%

12%

18.5

20.0

Notes:

a)

Source:

Australian

Bureau

of

Statistics (ABS).

b)

Source: Australian

Bureau

of

Statistics

(ABS),

represents

the

period

May

2001

to

May

2007.

Proportion

of total

Slide 8

5 March 2008

Slide 8

5 March 2008

The resource sector now represents ~30% of Australia's
primary market index

ASX 200: Resources vs

all other sectors

(Aggregate market capitalisation, A\$bn)

Source: IRESS, data as at 28-Feb-2008.

0

200

400

600

800

1,000

1,200

1,400

Jan-01

Jul-01

Jan-02

Jul-02

Jan-03

Jul-03

Jan-04

Jul-04

Jan-05

Jul-05

Jan-06

Jul-06

Jan-07

Jul-07

Jan-08

S&P/ASX 200

Resources

(30%)

S&P/ASX 200 All

Other Sectors

(70%)

S&P/ASX 200 All

Other Sectors

(86%)

S&P/ASX 200

Resources

(14%)

Slide 9
5 March 2008
Slide 9
5 March 2008
and has delivered strong returns for investors
ASX 200 Resources accumulation index
(Index: 1-Jan-2001 = 100)

A\$10,000 invested in the
ASX 200 Resources
Accumulation Index in January
2001 would now be worth
A\$51,957, a 26% compound
annual growth rate
Source: IRESS, data as at 29-Feb-2008.

\$
51,957
\$
0
\$
10,000
\$
20,000
\$
30,000
\$
40,000
\$
50,000
\$
60,000
Jan-01
Jan-02
Jan-03
Jan-04
Jan-05
Jan-06
Jan-07
Jan-08

Slide 10

5 March 2008

Slide 10

5 March 2008

Australia is home to some of the world's largest resource
basins

Bauxite

(mt)
Uranium
(kt)
Source:
USGS
(Mineral
Commodity
Surveys

Jan
2007),
BP
Statistics
Report
2007
and
Uranium
2005:
Resources,
Production
and
Demand.

* Reserve base for bauxite, iron content reserve base for iron ore, recoverable reserve for uranium, and proven reserves for ant
National resource reserves* for top 10 countries per mineral

Iron ore (Fe)
(mt)

Metallurgical and Thermal Coal

(mt)
Australia

0
2,000
4,000
6,000
8,000
10,000
0
200
400
600
800
1,000
1,200
0
10,000
20,000
30,000
40,000
50,000
0
50,000

100,000
150,000
200,000
250,000

Slide 11

5 March 2008

Slide 11

5 March 2008

But is home to only one major mining company

Sources: Bloomberg, Datastream.

Top 15 metals and mining companies

(Market capitalisation as at 29-Feb-2008, US\$bn)

0

50

100

150

200

250

Australian head office

Non-Australian head office

Slide 12

5 March 2008

Slide 12

5 March 2008

Demand for resources is in a period of strong growth

Slide 13
5 March 2008
Structure of 2007 Nominal GDP
(US\$ trillion)
-3
0
3

6

9

12

15

USA

China

Net Trade

Consumption

Investment

Slide 13

5 March 2008

Slide 13

The US economy is over four times larger than that of China

13.8

3.2

~300m

People

~1,300m

People

Source: Global Insight (February 2008) and CEIC Data Co. Ltd (February 2008).

Notes:

Investment

also

includes

net

change

in

inventories

and

China's

GDP

converted

to

US\$

based

on

an

average

exchange

rate

for

the

year

of

USD:CNY

7.57.

Slide 14
5 March 2008
0
200
400
600
800

1,000
1,200
1,400
1997
2007
0
2,000
4,000
6,000
8,000
10,000
12,000
1996
2006

...but it is China industrialisation that is driving global metals consumption growth

0
150
300
450
600
750
900
1997
2007
0
3,000
6,000
9,000
12,000
15,000
18,000
1997
2007

Copper consumption (kt)
Nickel consumption (kt)
Seaborne iron ore (mt)
Energy consumption (mtoe)

China
USA
Other

Notes: Seaborne
iron
ore
demand
based
on
import
statistics

-

CRU
data
for
2007,
IISI
data
for
1997.
Energy
consumption
is
all
uses
of
coal,
gas,
oil
and
nuclear,
expressed
as
millions
tonnes
of
oil
equivalent,
2007
data
not
yet
available.

Source: CRU, Brook Hunt, BP Statistical Review of World Energy (2007), IISI.

Slide 15

5 March 2008

Slide 15

Slide 15

5 March 2008

...and industrialisation and urbanisation in China appears to have a long way to go

China's tiered city structure:

2005

2010

2020

84 tier 1-3 cities

(a)

106 tier 1-3 cities

(b)

143 tier 1-3 cities

(c)

Tier 1

Tier 2

Tier 3

Source: Global

Insight;

National

Bureau

of

Statistics

of

China

China

Statistical

Yearbook;

McKinsey

&

Company,

2006.

a)

Tier 1 city defined as registered population >4.6 m and nominal GDP/capita >US\$3,200, tier 2 city defined as either registered >US\$3,200 and registered population at least 1.5m, tier 3 city defined as registered population 1.5-4.6 m or nominal GDP/capita

b)

Tier 1 city defined as registered population >4.8 m and nominal GDP/capita >US\$3,600, tier 2 city defined as either registered registered population at least 1.6m, tier 3 city defined as registered population 1.6-4.8 m or nominal GDP/capita US\$1,800-US

c)

Tier 1 city defined as registered population >5.0 m and nominal GDP/capita >US\$4,800, tier 2 city defined as either registered registered population at least 1.7m, tier 3 city defined as registered population 1.7-5.0 m or nominal GDP/capita US\$2,400-US

Slide 16
5 March 2008
0
5,000
10,000
15,000
20,000

25,000
30,000
35,000
40,000
1900
1910
1920
1930
1940
1950
1960
1970
1980
1990
2000
2010
2020
2030

Slide 16

5 March 2008

To satisfy demand the world may need to mine as much copper over the next 25 years as throughout history

World copper demand

(000 tonnes refined copper)

Source of

data:

CRU

Copper

Quarterly

(January

2008);

CRU

archive

data.

a)

Future copper consumption based on a hypothetical world average growth rate of 3% p.a., based on a projection of similar growth

1900-2007

Total = 608 mt

2007-2032

Total = 680 mt

(a)

2007 = 18,084

2032 = 37,864

Slide 17

5 March 2008

Slide 17

5 March 2008

BHP Billiton is extremely well positioned to benefit from this growth

Slide 18

5 March 2008

BHP Billiton's business is truly global in scope and scale

Aluminium

Base Metals

Diamonds & Specialty Products

Energy Coal

Iron Ore
Manganese
Metallurgical Coal
Petroleum
Stainless Steel Materials
Offices
Stainless Steel Materials
Nickel
Iron Ore
Iron Ore
Manganese
Manganese Ore, Manganese Alloy
Metallurgical Coal
Coking Coal, Thermal Coal
Base Metals
Copper, Lead, Silver, Uranium, Zinc
Aluminium
Alumina, Aluminium
Energy Coal
Thermal Coal
Petroleum
Oil, Gas, NGL
Diamonds & Specialty Products
Diamonds, Titanium Minerals
Note: Location of dots indicative only

Slide 19

5 March 2008

Slide 19

5 March 2008

but Australian operations are the foundation

50% of assets in Australia

49% of profit before interest and
taxation, generated by Australian
based assets

Over 60% of issued capital relates
to
the
Australian
side
of
the
DLC
(a)

Over 495,000 Australian retail BHP
Billiton Ltd shareholders who hold
A\$36bn
worth
of
shares

(b)
Source: BHP Billiton.

a)
As at 29-Feb-2009.

b)
Represents
all
Australian
investors
with
less
than
25,000
shares

as
at
28-Feb-2008.

BHP Billiton assets by location
(US\$m, as at 30-Jun-2007)
BHP Billiton profit before interest
and taxation by asset location
(US\$m, FY2007)

Slide 20

5 March 2008

Slide 20

5 March 2008

It has achieved substantial growth since the DLC
merger

Notes:

a)
Source:
Production
shown
for
the
12
months
ending
30-June.
Converted
to
copper
equivalent
units
using
BHP
Billiton
FY2007
average
realised
prices
and
BHP
Billiton
estimates.
Excludes
all
production
from
sold
or
ceased
operations. Production growth does not include production for the six month period ending 31-Dec-2007.

b)
Source:
Datastream
and
financial
reports
and
company
filings
of
BHP
Billiton.
Market
capitalisation
based
on

shares
outstanding
and
share
price
as
at
the
dates
shown.

In
addition,
over
the
period
from
29-Jun-2001
to
31-Oct-
2007, BHP Billiton undertook share buybacks of US\$11.4B.

BHP
Billiton
production
growth

(a)
(Index: FY2001 production = 100)

BHP
Billiton
market
capitalisation

(b)
(US\$bn)

100
110
120
130
140
150
160
170

FY01
FY02
FY03
FY04
FY05
FY06
FY07

CAGR: 8%

0
30

60

90

120

150

180

210

CAGR: 34%

US\$196bn

US\$31bn

Slide 21

5 March 2008

Slide 21

5 March 2008

Created a unique diversified portfolio balanced across
high margin commodities

Underlying EBITDA

(12 months, US\$bn)

Underlying EBITDA Margin

(a)

(CY2007, 12 months)

Note: Historical financial information has been restated for comparative purposes per note 1 of BHP Billiton's half-year financial statements.

a)

EBITDA margin excludes third party sales.

52%

40%

36%

70%

52%

43%

75%

23%

34%

Iron Ore

Manganese

Metallurgical Coal

Base Metals

Stainless Steel

Materials

Aluminium

Petroleum

Energy Coal

Diamond &

Specialty Products

0

6,000

12,000

18,000

24,000

FY2002

CY2007

4,677

23,623

Iron Ore

Manganese

Metallurgical Coal

Petroleum

Energy Coal

Aluminium

Base Metals

Stainless Steel

Materials

Diamond & Specialty Products

Non

Ferrous

(56%)

Energy

(21%)
Carbon
Steel
Materials
(22%)

Slide 22
5 March 2008
Slide 22
5 March 2008
Delivered strong dividend growth
Ordinary dividends per share
(US cents per share)

Note: Two interim dividends were paid in FY2004

45%

increase in
interim
dividend

13.0

14.5

26.0

28.0

36.0

47.0

6.5

7.0

16.5

13.5

17.5

20.0

29.0

0

5

10

15

20

25

30

35

40

45

50

FY2002

FY2003

FY2004

FY2005

FY2006

FY2007

FY2008

Full year dividend

Interim dividend

29% CAGR

Slide 23

5 March 2008

Slide 23

5 March 2008

and created considerable wealth for global investors

BHP Billiton Ltd

(a)

(A\$)

Source: Bloomberg, Iress.

a)

Dividends/distributions

assumes

that

the

dividends

are

received

in

cash

and

not

reinvested

in

BHP

Billiton.

Dividends

grossed

up

for

franking.

Includes

the

value

of

shares

distributed

in

Bluescope

Steel

to

BHP

Billiton

Ltd

shareholders.

A holder of 1,000 BHP Billiton Ltd shares on 28 June 2001 would have seen the value of their total holding increase by 323%

0

10,000

20,000

30,000

40,000

50,000

60,000

Jun-01

Dec-01

Jun-02

Dec-02

Jun-03

Dec-03

Jun-04

Dec-04

Jun-05

Dec-05

Jun-06

Dec-06

Jun-07

Dec-07

Dividends/Distributions (a)

Value of BHP Billiton Ltd Shares

Value at

28 June 2001

A\$10,372

Value at

30 June 2003

A\$9,902

Value at

30 June 2005

A\$20,171

Value at

30 June 2007

A\$38,380

Value at

30 June 2002

A\$10,654

Value at

30 June 2004

A\$14,117

Value at

28 June 2006

A\$31,635

Value

at

29

February

2008

Shares:

A\$39,580

Dividends/Distributions:

A\$4,286

Slide 24
5 March 2008
Boffa/Santou
Refinery
Slide 24
5 March 2008
The future looks bright for BHP Billiton

2010

As at 29 February 2008

Proposed
capital expenditure

<\$500m

\$501m-\$2bn

\$2bn+

SSM

Petroleum

D&SP

Energy Coal

Aluminium

Iron Ore

Base Metals

Met Coal

Manganese

CSG

2008

Execution

Pyrenees

Samarco

Neptune

Shenzi

WA Iron Ore

RGP 4

NWS

T5

Alumar

Atlantis

North

Yabulu

Klipspruit

Kipper

GEMCO

Zamzama

Phase 2

2013

Feasibility

Guinea

Alumina

Worsley

E&G

Perseverance

Deeps

Navajo

Sth

Maruwai

Stage 1

Douglas-

Middelburg

NWS Nth
Rankin B
Bakhuis
Maruwai
Stage 2
Mt Arthur
Coal UG
Future Options
Cliffs
Newcastle
Third Port
NWS
Angel
Scarborough
Samarco
4
Nimba
Ekati
Canadian
Potash
Thebe
Browse
LNG
WA Iron Ore
Quantum 2
CW Africa
Exploration
GEMCO
Exp
CMSA
Pyro
Expansion
Olympic Dam
Expansion 1
CMSA Heap
Leach 2
Olympic Dam
Expansion 2
Olympic Dam
Expansion 3
Angola
& DRC
Caroona
WA Iron Ore
RGP 5
SA Mn
Ore Exp
Corridor
Sands I
WA Iron Ore

Quantum 1
MKO
Talc
Gabon
Macedon
Turrum
Neptune
Nth
CMSA Heap
Leach 1
Knotty
Head
NWS CP
Wards
Well
RBM
Daunia
Peak Downs
Exp
Shenzi
Nth
Maya
Nickel
DRC
Smelter
Mad Dog
SWR
KNS
Exp
Cannington
Life Ext
Hallmark
Blackwater
UG
NWS
WFG
Kennedy
Escondida
3rd Conc
Goonyella
Expansions
Kipper
Ph 2
Resolution
Corridor
Sands II
Saraji
Puma
Cerrejon
Opt Exp

Angostura
Gas
Eastern
Indonesian
Facility
Red Hill
UG

Slide 25

5 March 2008

in a changing global corporate framework

Norilsk

China mining

companies

BHP Billiton

Rio Tinto

Xstrata

Rusal

Anglo

Source: Location of bubbles are indicative only of each company's head office location.

Vale

Slide 26
5 March 2008
Slide 26
5 March 2008
BHP Billiton's offer for Rio Tinto
unlocking value

Slide 27

5 March 2008

Combined entity will have a unique portfolio of tier 1 assets

Highly complementary large-scale, low-cost, long-life assets

Strengthened asset portfolio and superior future growth options

Unparalleled
exposure
to
overlapping
mineral
basin
positions
and
infrastructure

Optimisation
of production efficiencies

Delivery of more volume, faster, to customers
Enhanced earnings through quantified synergies and benefits of combination
Broader stakeholders will benefit (customers, communities, employees)

A
natural
fit

common
strategies,
heritage,
culture
and
values

Slide 27

5 March 2008

Unlocking value: Why a combination with Rio Tinto?

- 1
- 2
- 3
- 4
- 5

Slide 28

5 March 2008

Slide 28

5 March 2008

Top 10 companies in the world by market capitalisation

(As at 29-Feb-2008, US\$bn)

Source: Datastream.

a)
Based
on
BHP
Billiton
Ltd
and
BHP
Billiton
Plc
closing
share
prices
on
29-Feb-2008
and
assuming
BHP
Billiton
acquires
100%
of
the
shares
in
Rio
Tinto
Ltd
and
Rio
Tinto
plc
based
on
its
current
offer,
before
any
share buyback.
Creating a natural resources super-major
0
100
200
300
400
500
600
Petrochina
Exxon Mobil

BHP Billiton +
Rio Tinto (a)
General
Electric
China Mobile
Gazprom
ICBC
Microsoft
At&T
BP

Slide 29
5 March 2008
Slide 29
5 March 2008
In summary

A strong resources sector is fundamental to Australia's economic prosperity

The global resources industry is undergoing extraordinary change

Standalone, BHP Billiton has a bright future

The offer for Rio Tinto has the potential to enhance this by creating a company that is unique in character, capable of delivering superior returns for its shareholders and an Australian champion on the global stage

The terms of the offer reflect a good deal for both companies shareholders

The process has a long time to run
an offer document is not expected to be posted to shareholders until late 2008 following BHP Billiton completing the necessary anti-trust and other regulatory processes

You do not have to decide anything now, but I encourage you to listen to the arguments and think about them so that you are well prepared when the time comes to make a decision

Slide 30
5 March 2008
Slide 30
5 March 2008
Legitimate questions

Assuming a satisfactory regulatory outcome, Rio Tinto shareholders will be faced

with 2 choices:

Accept BHP Billiton's offer, which is priced at a 45% premium to the pre-approach trading valuations of the two companies; or

Reject BHP Billiton's offer

Rio Tinto shareholders will have 2 legitimate questions to ask of their Board

On what grounds can you justify rejecting the 45% premium value uplift implied by BHP Billiton's offer?

How does the Rio Tinto Board propose to deliver to its shareholders the value of the implied premium and the pro-rata share of the combination benefits that shareholders may forego by the Rio Tinto Board refusing to engage with BHP Billiton?

Remember this is about relative value not absolute value.

Slide 31
5 March 2008